

**State of Alaska**  
**FY2020 Governor's Operating Budget**

**University of Alaska**  
**Statewide Services**  
**Results Delivery Unit Budget Summary**

**Statewide Services Results Delivery Unit**

**Contribution to Department's Mission**

The University of Alaska (UA) inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples.

**University Structure**

The University of Alaska is composed of four major units: the system office and three separately accredited institutions, University of Alaska Anchorage (UAA), University of Alaska Fairbanks (UAF), and University of Alaska Southeast (UAS).

The chancellor of each institution reports to the president of the university system, who in turn reports to the Board of Regents. The Board has ten members with eight-year appointments and a student regent with a two-year appointment; all members are appointed by the governor and confirmed by the legislature.

System administrators reporting to the president include the university's executives in the areas of finance and administration, university relations, academic affairs and research, information technology, human relations and legal counsel.

**Results**

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

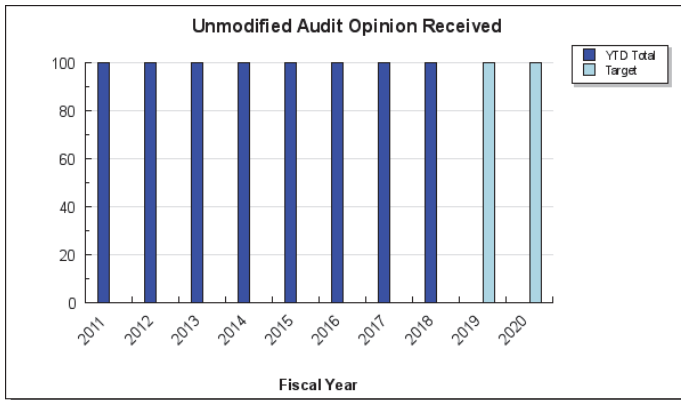
**Core Services**

- Achieve clean financial statement audit opinions in FY19 and FY20
- Achieve clean audit reports over federal financial assistance compliance and related internal controls in FY19 and FY20

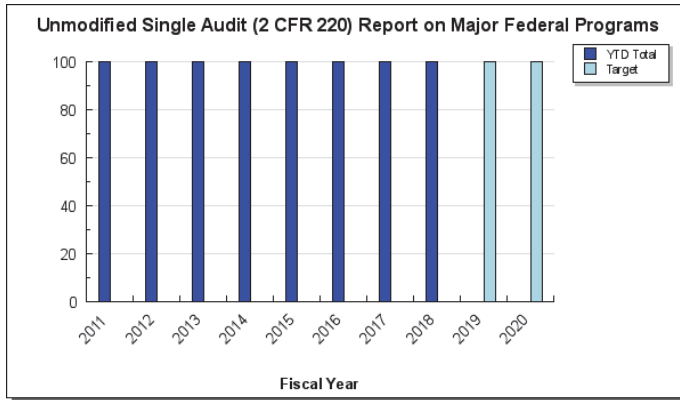
**Measures by Core Service**

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

**1. Achieve clean financial statement audit opinions in FY19 and FY20**



## 2. Achieve clean audit reports over federal financial assistance compliance and related internal controls in FY19 and FY20



### Major RDU Accomplishments in 2018

During 2018, Statewide Services completed several projects designed to reduce cost and increase efficacy across the UA System, and continued to provide intermediary support toward the achievement of both institutional and state goals. Significant accomplishments realized by Statewide Services targeted investments and continued support of institutional services include:

- Continuous improvement of institutional cybersecurity capabilities; building faculty, staff, and student awareness of cybercrime and regulatory responsibilities; and providing support for federal and state compliance:
  - Increasing the Office of Information Technology (OIT), Security and Telecommunications' ability to safeguard system-wide infrastructure and the digital computing experience for students, faculty, and staff, through greater focus on IT security projects.
  - Continuing support of initiatives that educate and heighten faculty, staff, and student workers' awareness of regulatory compliance, such as the Family Educational Rights and Privacy Act (FERPA); Gramm-Leach-Bliley Act (GLBA); Health Insurance Portability and Accountability Act (HIPAA); Payment Card Industry Data Security Standard (PCI DSS); and General Data Protection Regulation (GDPR), and the designation of a Data Privacy and Compliance Officer to oversee these efforts.
  - Implementing an electronic learning management and performance evaluation system to ensure all employees complete required training, and are provided with an annual performance review.
  - Completing the UA System development and proposal of Facilities and Administrative (F&A) cost rates to the Federal Government. The F&A rates provide facility and administrative cost recovery to the universities from federal sponsored awards.
  - Received clean audit reports for Federal Financial assistance and related internal controls, and clean financial statement audit opinion.
- Expanding student access to:
  - Technology-enabled learning spaces through:
    - The collaboration of multiple OIT units, who combine their expertise to create 26 of these spaces in the new UAF Engineering, Learning, and Innovation Facility;
    - The development of collaborative computing spaces in the UAF student library and main UAF underclassmen dorm.
  - Educational experiences and workforce development:
    - Collaborating with Alaska's high schools to deliver dual enrollment credits, providing students with the opportunity to finish college and enter the workforce sooner;
    - Increasing affordability of higher education for Alaskans through implementation of the Occupational Endorsement Certificate tuition discount;
    - Establishing a system-wide Student Success Collaboration, to support the campuses in their efforts to increase student enrollment and success.
- Facilitating several cost optimization and revenue generation projects such as:

- Implemented a process known as “tail-end hop-off” in which a phone call traverses the computer network to another city, and then hops off that computer network to a local organization. The call acts as if it were placed locally, thus reducing long distance phone charges;
  - Consolidating redundant university directory systems, eliminating complexity, and improving directory services for students, faculty and staff;
  - Automating and improving Human Resource (HR) processes to enhance employee and customer service, reduce manual work, and minimize data entry errors. These continuing efforts have also led to the elimination of several HR paper processes;
  - Development of a travel system that will utilize the State of Alaska's negotiated discounts and provide process efficiencies for UA;
  - Successfully advocated for the extension of the Alaska Education Tax Credit (ETC), preserving an important funding source and industry partnership program;
  - Positioned to launch the first ever system-wide fundraising campaign. Fundraising is one of the smartest investments UA can make for the future of education in Alaska.
- Increasing operational efficiencies through the utilization of technology and employee development:
    - Reducing travel through greater utilization of OIT Conferencing Services by providing 14,841 hours of video conferencing across the UA system, resulting in significant savings in travel costs, while preserving the ability to collaborate across UA campuses;
    - Conducting a leadership development needs assessment that will result in system-wide training to address Alaska's changing workforce need by developing employee “soft skills”, leadership and management best practices, and succession planning;
    - Conducting UA's first total compensation market analysis and pay equity study for all staff, faculty, and executives to offer UA employees a market driven salary and benefits program.

## Key RDU Challenges

- The continuous requirement to maintain and communicate cybersecurity best practices system-wide in the ever-changing landscape of Internet crime to ensure the safety of students, faculty, and staff online; and keep UA's data and technology assets accessible and available without compromise. To be effective, it is imperative that funding in this area remains consistent.
- Coordinating disaster preparedness and business continuity planning for the entire UA system, and, at times, working with local and federal agencies, consumes significant resources, and often the need for funding comes in waves, as cost and time-spent can spike when conducting extensive studies or simulations. Due to this, setting a timeline for disaster preparedness and business continuity planning projects can be challenging, particularly when the project is phased over multiple years and funding is dependent on annual appropriations. Although the benefits of these projects generally go unrealized, it is crucial that UA is prepared to respond to an array of potential disasters (i.e. earthquakes, data loss, active-shooter, etc.) for the safety of students, faculty, and staff; and to mitigate operational disruptions.
- Working on behalf of the UA System to meet state and federal regulatory compliance is a paramount core service that SWS provides, as a result:
  - Allocating and managing time to coordinate and facilitate comprehensive, system-wide projects, such as the upgrade to UA's enterprise resource planning (ERP) software, is a challenge, and can prolong the project timeline;
  - System-wide HR projects identified for automation and process improvement have begun to accumulate due to the need of expanded support; and
  - There is a need to develop innovative solutions for completing more system-wide process improvement and automaton projects due to limited staffing and resources.
- Alaska has historically had one of the lowest college going rates in the nation and consistently ranks last or second to last of all 50 states in the percentage of high school graduates going to college immediately after high school. In addition, as of 2016, only 38.3 percent of Alaskans have at least an associate degree, compared to a

national average of 46.9 percent. This non-college-going state environment makes leading system-wide efforts aimed at increasing student enrollment a challenge.

- Currently, there is minimal staff development and succession planning. There is a need for development focused predominately on building team trust. Leadership development is needed for setting measurable goals and then execution. Additionally, front line supervisor training is needed for greater engagement in student and customer service.

### **Significant Changes in Results to be Delivered in FY2020**

- SWS will provide support toward establishing a nationally recognized Maritime Center of Excellence for Alaska, to help provide technical education and training programs that will secure the talent pipeline for the maritime workforce.
- In order to support more Alaskans pursuing higher education, UA is developing and implementing a new access portal (UA Gateway) which will, for the first time ever, let students see courses and programs across the UA system that are available to them no matter where they reside across Alaska.
- OIT is in the early stages of changing service delivery models. Enterprise wide IT services, including policy and strategy, will be provided by the system office IT organization, while local services will be provided by campus IT.
- Implement policy, structure, and address possible misalignments for compensation competitiveness and equity.
- Implementation of a new travel system will streamline the travel process and lower costs through efficiencies by reducing employee's time-spent on data entry and reimbursements.
- As part of continued work toward ensuring a respectful, positive and productive workplace, following budget cuts and workforce reductions, the university is embarking on an organizational culture assessment and enhancement strategies initiative.

<b>Contact Information</b>
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**Statewide Services  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2018 Actuals				FY2019 Management Plan				FY2020 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
Statewide Services	28,346.4	9,046.9	0.0	37,393.3	23,720.6	10,181.6	400.0	34,302.2	24,825.6	10,181.6	400.0	35,407.2
Office of Information Technology	12,096.6	3,372.4	0.0	15,469.0	13,516.8	3,548.3	0.0	17,065.1	13,516.8	3,548.3	0.0	17,065.1
<b>Totals</b>	<b>40,443.0</b>	<b>12,419.3</b>	<b>0.0</b>	<b>52,862.3</b>	<b>37,237.4</b>	<b>13,729.9</b>	<b>400.0</b>	<b>51,367.3</b>	<b>38,342.4</b>	<b>13,729.9</b>	<b>400.0</b>	<b>52,472.3</b>

**Statewide Services**  
**Summary of RDU Budget Changes by Component**  
**From FY2019 Management Plan to FY2020 Governor**

*All dollars shown in thousands*

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<b>FY2019 Management Plan</b>	<b>17,781.9</b>	<b>19,455.5</b>	<b>13,729.9</b>	<b>400.0</b>	<b>51,367.3</b>
<b>Proposed budget increases:</b>					
-Statewide Services	1,105.0	0.0	0.0	0.0	1,105.0
<b>FY2020 Governor</b>	<b>18,886.9</b>	<b>19,455.5</b>	<b>13,729.9</b>	<b>400.0</b>	<b>52,472.3</b>